

State of South Dakota

EIGHTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2011

400S0158

SENATE BILL NO. 42

Introduced by: The Committee on Transportation at the request of the Department of
Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the exemption from
2 the motor fuel tax for bulk fuel transfers into a terminal.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 10-47B-19 be amended to read as follows:

5 10-47B-19. The following are exempt from fuel excise tax imposed by this chapter:

- 6 (1) Motor fuel or undyed special fuel removed from a terminal in this state at the rack
7 by the federal government or defense fuel supply center for consumption in any
8 federal government motor vehicle, machinery, equipment, or aircraft;
- 9 (2) Motor fuel or undyed special fuel imported into this state by the federal government
10 or defense fuel supply center for consumption in any federal government motor
11 vehicle, machinery, equipment, or aircraft;
- 12 (3) Special fuel that has been dyed in accordance with this chapter. The tax liability is
13 reestablished if the dyed special fuel is used in the engine fuel supply tank of self-
14 propelled machinery and equipment for use in highway construction or repair work
15 within the right-of-way within this state;



- 1 (4) Transmix removed from a terminal in this state at the rack by the terminal operator
2 and transferred to another terminal, or to a licensed supplier for refinement and re-
3 introduction into the pipeline system;
- 4 (5) Undyed special fuel removed from a terminal in this state at the rack and delivered
5 directly into a railroad locomotive if the railroad company is also the supplier.
6 Undyed special fuel transported from the terminal to the locomotive fueling site by
7 truck or railcar is not exempt from the tax;
- 8 (6) Motor fuel or undyed special fuel removed from a terminal in this state by an
9 electrical power company or cooperative and directly used for the generation of
10 electricity. Motor fuel or undyed diesel fuel transported from the terminal to an
11 electrical generation plant by truck or railcar is not exempt from the tax; or
- 12 (7) Motor fuel or special fuel transfers in bulk ~~into or by pipeline into a terminal or in~~
13 bulk by pipeline within a terminal, ~~except for ethyl alcohol or methyl alcohol. This~~
14 subdivision does not apply to any transfers of ethyl alcohol or methyl alcohol into a
15 terminal or within a terminal. The subsequent removal of the fuel from the terminal
16 is not exempt from tax.